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RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

[1](#)1. PM Olmert's Legal Entanglement

[1](#)2. Mideast

Key stories in the media:

Over the weekend all media reported on new police accusations against PM Ehud Olmert that 12 of his trips received multiple funding -- one trip was allegedly funded by four different instructions. One of those organizations reportedly was Yad Vashem.

The media reported that Olmert called the suspicions against him "despicable." Some media quoted Olmert associates as saying that "this is an attempt to oust a governing prime minister." Yediot reported that last Thursday at a consultation with the PM, Prof. Ron Shapira, one of Olmert's lawyers, raised the idea of a plea bargain. Leading media reported that last night at a gathering of the Israel Democracy Institute Attorney General Menachem Mazuz was asked whether the Prime Minister could be forced to take a leave of absence. "This question is not subject to a legal ruling at this stage, and certainly not to the ruling of the Attorney General. This question should be presented to the Prime Minister himself," Mazuz replied. He added that "it is not the attorney general's job to appoint prime ministers or remove them from office. It's also different from the question on whether a government worker or a minister should stay in office. At this stage, it's the political system's job."

All media quoted Olmert as saying in Paris yesterday, at a press conference prior to his meeting with PA President Mahmoud Abbas, that "there are obstacles and disagreements but we have never been closer to an agreement [with the Palestinians] than we are now." Ha'aretz reported that Abbas has asked Olmert to release dozens of Palestinians imprisoned in Israel since before the Oslo Accords of 1993. "I have asked this on a number of occasions and for the time being only prisoners of Hizbullah are being released," Abbas was quoted as telling Olmert. The Palestinians said during the meeting with the Israeli delegation that there is a bad feeling in their ranks over the deals Israel has reached with Hizbullah and Hamas. "The fact that elements who are involved in terrorism are being released does not bolster the standing of Abu Mazen [Abbas]," the Palestinian sources were quoted as saying. An Israeli political source noted that Olmert promised to look favorably on the request. "It will not be part of any deal with Hizbullah or Hamas," the Israeli source said. "We will carry out another release as a gesture [of goodwill] to the Palestinian Authority, but we did not commit to a time or a number of prisoners to be released." Maariv cited the Palestinians' hope that Fatah/Tanzim activist Marwan Barghouti will be released as part of this deal.

The media reported that the family of MIA Ron Arad received two previously unseen photographs of the missing IAF navigator as well as sections from his diary. Media reported that the cabinet is scheduled to meet tomorrow to vote on the prisoner swap with Hizbullah, of which the Arad report is part. The Jerusalem Post quoted Defense Minister Ehud Barak as saying yesterday that the exchange will proceed even though the report does not solve the mystery surrounding Arad's fate. The Jerusalem Post and Maariv reported that fears have mounted in Israel that Hizbullah may try to carry out an attack along the northern border following the upcoming prisoner swap. Yediot reported that IDF officials fear that after the deal with Hizbullah is carried out on Wednesday, there will be greater chances of a revenge terror attack for senior Hizbullah operative Imad Mughniyah's assassination. Maariv wrote that the IDF's deployment for the prisoner exchange deal indicates that the army is preparing for the possibility that Hizbullah abductees Eldad Regev and Ehud Goldwasser will return to Israel in caskets.

All media reported that yesterday in Paris Syrian President Bashar Assad ignored PM Olmert. The Jerusalem Post reported that Olmert sent feelers to Assad through Turkish PM Recep Tayyip Erdogan, saying it would be a mistake for Assad to wait until after the inauguration of a new U.S. president in January to begin direct negotiations. The Jerusalem Post quoted Assad as saying on Saturday after a meeting with French President Nicolas Sarkozy that direct talks would have to wait until after a new U.S. president was voted in. Assad told France 2-TV that a peace agreement with Israel is possible within six months to two years. Ha'aretz quoted a Syrian official as saying: "The indirect negotiations will continue so long as there is no American partner. Assad will also not make, at this stage, any gesture of good will to the Israeli Prime Minister, not even a handshake, because there is no reason to grant such a gesture to a weak prime minister."

The media reported that in an interview aired yesterday by CNN, Barack Obama recanted the statement he made at last month's AIPAC Conference: "Jerusalem will remain the capital of Israel, and it must remain undivided," calling it "poor phrasing."

The media reported that terrorists shot and wounded two border policemen Saturday night in Jerusalem.

Media quoted London's Sunday Times as saying that President Bush has given Israel an "amber light" to attack Iran if diplomacy fails.

Ha'aretz reported that two years after the planning authorities rejected the construction plan for West Jerusalem known as the Safdie plan, the Prime Minister's Office has begun to resurrect it. The municipality declined to comment on the government's project but noted that influential Mayor Uri Lupoliansky is opposed to the Safdie plan. Environmental organizations under the umbrella of a group called the Sustainable Jerusalem Coalition fought hard against the plan, arguing that it would seriously reduce the open spaces around Jerusalem and would weaken the center of the city by keeping the better-off population in the new, outlying neighborhoods. The environmental groups prepared documents to show there was enough other land available elsewhere in Jerusalem on which to build. However, a large amount of the available land located by the environmental groups is in neighborhoods in which the U.S. is pressuring Israel not to build.

The Jerusalem Post (and Yediot yesterday) reported that Gilad Herman, a student from a yeshiva in the northern West Bank settlement of Yitzhar, was arrested over the weekend in connection with a rocket attack on the nearby Palestinian village of Burin, which fell on an open area. The attack was originally reported on June 20. If confirmed, this would be the first instance of an Israeli firing a homemade rocket at a Palestinian target. The Jerusalem Post quoted Yitzhar community spokesman Yigal Amitai as saying that Herman is not connected to Yitzhar. Makor Rishon-Hatzofe reported that the prosecution has submitted an indictment against three residents of Mitzpe Asael in the southern Hebron hills who a week ago tied the hands of a Palestinian and beat him and attacked the Border Policeman who came to untie him. Attorney Yossi Lin, who belongs to the Hinenu organization and is representing the accused, told Makor Rishon-Hatzofe the "indictment distorts reality.... It was a premeditated provocation to which left-wing journalists were invited."

Yediot reported that yesterday 15 pilots from the Hatzor IAF base inhaled noxious hydrozin (phon.) fumes emanating from F-16 planes. They were rushed to the hospital. Yesterday The Jerusalem Post reported that Italian Jewish architect David Fisher, who was born and raised in Israel and who is building an ambitious, twirling Dynamic Tower in Dubai, told the newspaper this his work will herald an architectural revolution.

I. PM Olmert's Legal Entanglement:

Summary:

The independent, left-leaning Ha'aretz editorialized: "The impending end of the Ehud Olmert era is now unavoidable.... For this cloud to have a silver lining, it is necessary to learn the Olmert lesson and make sure that such a case never recurs."

Block Quotes:

I. "Prevent the Next Disgrace"

The independent, left-leaning Ha'aretz editorialized (7/14): "The impending end of the Ehud Olmert era is now unavoidable. Across the political spectrum, and even within Olmert's Kadima Party, the consensus is that public disgust over the revelations about his conduct should be translated into a thorough cleaning of the political stables.... The serious decisions facing Israel's leadership justify a hard-line approach. The Israeli public is liable to be asked to make sacrifices and concessions, and only a leadership that sets a good example, by acting ethically and in good faith, can make such demands. Olmert has dealt public confidence in state institutions a double blow: via his behavior, which has spurred half a dozen criminal investigations, and via his attacks on the Police, Prosecution and Attorney General, whom he accused of

plotting to pursue him until he is ousted. These attacks are no less worthy of condemnation than the alleged offenses whose investigation sparked them. The filtering mechanisms of Israeli politics failed in Olmert's case, and this is not the first time. The holes in the sieve were too large. For this cloud to have a silver lining, it is necessary to learn the Olmert lesson and make sure that such a case never recurs."

II. "A Yellow Scorpion"

Political commentator Shalom Yerushalmi wrote in the popular, pluralist Maariv (7/13): "Ehud Olmert needs to do a simple thing: get up and leave.... We have never had such a problematic prime minister here whose name was linked with so many corruption cases. The picture that is now forming once again, and that is not surprising, is of a man with a character flaw, who deals mainly with money, power and the pleasures of life. Before our eyes appears the frightening picture of a man who lowered the relationship between money and power to a personal practice, and perhaps to the lowest and most contemptible level, and made them subordinate to his personal benefit.... Olmert must get up and leave because he has nothing behind him. The public is fed up with him. The Knesset yearns for his dismissal. Kadima officials are holding, before his eyes, a party primary that is intended to replace him. His best supporters and friends are turning their backs on him. He has no mandate or power to do a thing. The talk about a political legacy that he will leave behind and the agreements that he promises with the Syrians and the Palestinians are sleight of hand. In his current situation, Olmert has no power to lift the pen to sign even a contract of sale for a banana popsicle -- which means that everything here is stuck. Olmert must go because he is casting great shame upon the country and upon himself."

12. Mideast:

Summary:

Senior Middle East affairs analyst Zvi Bar'el wrote in the independent, left-leaning Ha'aretz: "When the conference in Paris is over, Israel will not return to agreements over fishing in the Mediterranean or joint marine rescue drills. Gaza, Ramallah, the Golan Heights, Hizbullah and Hamas will not disappear, and they, of course, were not invited to Sarkozy's presidential palace."

Very liberal columnist Kobi Niv wrote in the popular, pluralist Maariv: "Perhaps the time has come, after 26 years, to owe up to the truth -- that Israel, our state, committed 'that' massacre in the camps of Sabra and Shatila."

Block Quotes:

11. "Gaza Was Not Invited to Paris"

Senior Middle East affairs analyst Zvi Bar'el wrote in the independent, left-leaning Ha'aretz (7/13): "'We Arabs have not been able to unite. How can we have a union with Scotland or Scandinavia or Israel?' You have to admit that Libyan leader Muammar Qadhafi, who made this statement last week, is a perceptive man. His remarks were aimed directly at the Union for the Mediterranean, which convenes today with great pomp and circumstance in Paris.... France is perceived as a friend of the Arabs because America is a friend of Israel. France's colonial history has been put into storage because American colonialism has come to the region.... Israel may be able to say with satisfaction that it succeeded in joining yet another framework with Arab members, that France is once again a close friend and that its position in the world has never been better. But when the conference in Paris is over, Israel will not return to agreements over fishing in the Mediterranean or joint marine rescue drills. Gaza, Ramallah, the Golan Heights, Hizbullah and Hamas will not disappear, and they, of course, were not invited to Sarkozy's presidential palace."

II. "When Will We Finally Admit the Truth?"

Very liberal columnist Kobi Niv wrote in the popular, pluralist Maariv (7/14): "Perhaps the time has come, after 26 years, to owe up to the truth -- that Israel, our state, committed 'that' massacre in the camps of Sabra and Shatila. First, the facts: Those who carried out the massacre in practice indeed were the Christian Phalanges, not Hebrew-speaking IDF units.... From the strategic point of view, as Nahik Navot, then deputy head of the Mossad and contact person with the Phalanges, wrote in Yediot Aharonot last week, the war was waged 'in full cooperation with the Lebanese Christians'; tactically speaking, the Phalanges served as an IDF unit in all aspects, except for their spoken language being Arabic. They wore IDF uniforms and carried IDF equipment. They acted in cooperation with, with the support of, and under the control and command of the IDF. And so it was during the perpetration of the massacre."

MORENO